

Senate Engrossed House Bill

State of Arizona
House of Representatives
Forty-seventh Legislature
First Regular Session
2005

CHAPTER 126

HOUSE BILL 2189

AN ACT

AMENDING SECTIONS 20-284 AND 20-289.01, ARIZONA REVISED STATUTES; RELATING TO
INSURANCE PRODUCERS.

(TEXT OF BILL BEGINS ON NEXT PAGE)



1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Section 20-284, Arizona Revised Statutes, is amended to
3 read:

4 20-284. Application for examination

5 A. A resident individual applying for an insurance producer license
6 shall pass an examination WITHIN THE ONE HUNDRED TWENTY DAY PERIOD THAT
7 PRECEDES THE DATE THE DIRECTOR RECEIVED THE INDIVIDUAL'S LICENSE APPLICATION
8 unless the individual is exempt pursuant to section 20-288. The examination
9 shall test the knowledge of the individual concerning the lines of authority
10 for which the application is made, the duties and responsibilities of an
11 insurance producer and the insurance laws of this state.

12 B. FOR AN INDIVIDUAL CALLED INTO ACTIVE MILITARY SERVICE AFTER PASSING
13 THE EXAMINATION, THE ONE HUNDRED TWENTY DAY PERIOD PRESCRIBED BY SUBSECTION A
14 OF THIS SECTION SHALL BE EXTENDED BY THE NUMBER OF DAYS THAT THE INDIVIDUAL
15 WAS IN ACTIVE MILITARY SERVICE, NOT TO EXCEED A TOTAL OF ONE YEAR. AN
16 INDIVIDUAL APPLYING FOR AN INSURANCE PRODUCER LICENSE PURSUANT TO THIS
17 SUBSECTION SHALL INCLUDE WITH THE LICENSE APPLICATION A COPY OF THE
18 DOCUMENTATION FROM THE ARMED FORCES SHOWING THE PERIOD OF TIME THAT THE
19 INDIVIDUAL WAS IN ACTIVE MILITARY SERVICE. FOR THE PURPOSES OF THIS
20 SUBSECTION, ACTIVE MILITARY SERVICE DOES NOT INCLUDE PERIODIC AND ROUTINE
21 SERVICE AS A MILITARY RESERVIST.

22 ~~B.~~ C. The director shall make the examination available to applicants
23 for licenses with such frequency as shall meet the reasonable convenience of
24 both the director and applicants, but at least every sixty days. The
25 director may reasonably prescribe by rule the time, places and conduct of
26 examinations. ~~and~~ EXCEPT AS PROVIDED IN SUBSECTION H OF THIS SECTION THE
27 DIRECTOR MAY require a reasonable waiting period before examination of an
28 applicant who failed to pass a previous similar examination.

29 ~~C.~~ D. The director shall ensure that all examinations are given,
30 conducted and graded in a fair and impartial manner and without unfair
31 discrimination as among individuals examined. At the director's discretion,
32 any written examination may be supplemented by an oral examination of the
33 applicant. The director shall inform the applicant of the result of the
34 examination within thirty days after the examination.

35 ~~D.~~ E. The director may appoint one or more advisory committees to
36 make recommendations to the director as to the scope, type and conduct of
37 written examinations under this article. The members of the committee shall
38 serve without pay and without expense to the state.

39 ~~E.~~ ~~F.~~ F. An individual who fails to appear for the examination as
40 scheduled or who fails to pass the examination shall reapply for an
41 examination and remit all required fees and forms before being rescheduled
42 for another examination.

43 ~~F.~~ G. An individual shall not take an examination for a line of
44 authority for which the individual already holds a license in this state.

1 H. THE DIRECTOR SHALL NOT ALLOW AN INDIVIDUAL TO TAKE AN EXAMINATION
2 ADMINISTERED FOR ANY LINE OF LICENSE AUTHORITY PURSUANT TO THIS SECTION MORE
3 THAN FOUR TIMES WITHIN A TWELVE-MONTH PERIOD. IF AN INDIVIDUAL FAILS AN
4 EXAMINATION FOR A SPECIFIC LINE OF AUTHORITY FOUR TIMES, THE INDIVIDUAL MAY
5 NOT TAKE AN EXAMINATION FOR THAT LINE OF AUTHORITY FOR ONE YEAR. FOR THE
6 PURPOSES OF THIS SUBSECTION, AN INDIVIDUAL WHO FAILS AN EXAMINATION THAT
7 COVERS MORE THAN ONE LINE OF LICENSE AUTHORITY IS CONSIDERED TO HAVE FAILED
8 THE EXAMINATION FOR EACH INDIVIDUAL LINE OF LICENSE AUTHORITY.

9 Sec. 2. Section 20-289.01, Arizona Revised Statutes, is amended to
10 read:

11 20-289.01. Inactive license or application status during
12 military service

13 A. A licensee OR APPLICANT who is ordered into active military service
14 may request that the license OR APPLICATION be placed on inactive status by
15 sending the department a written statement that includes all of the
16 following:

- 17 1. The licensee's name.
- 18 2. The licensee's license number or social security number.
- 19 3. The date that the active military service begins.
- 20 4. A request for inactive status.

21 B. The license OR APPLICATION is deemed to be on inactive status while
22 the licensee OR APPLICANT is in active military service.

23 C. A licensee whose license is on inactive status:

- 24 1. Shall not sell, solicit or negotiate insurance.
- 25 2. May receive renewal or other deferred commissions for selling,
26 soliciting or negotiating insurance in this state if the licensee was
27 required to be licensed under this article at the time of the sale,
28 solicitation or negotiation and held an active license at that time.

29 D. The time periods for submission of the license renewal fee and for
30 completion of the applicable renewal requirements prescribed in this article
31 and the continuing education requirements that are prescribed in chapter 18,
32 article 1 of this title and that apply to a licensee with an active license
33 are extended for a licensee whose license is on inactive status by the number
34 of days that the licensee is in active military service. A licensee applying
35 for renewal under this section shall include, with the renewal application, a
36 copy of the documentation from the armed forces showing the period of time
37 that the licensee was in active military service.

38 E. For the purposes of this section, active military service does not
39 include periodic and routine service as a military reservist.

40 Sec. 3. Applicability

41 Section 20-284, Arizona Revised Statutes, as amended by this act,
42 applies only for examinations that are administered from and after the
43 effective date of this act.

APPROVED BY THE GOVERNOR APRIL 18, 2005.

FILED IN THE OFFICE OF THE SECRETARY OF STATE APRIL 18, 2005.

Passed the House February 7, 2005

Passed the Senate April 6, 2005.


by the following vote: 58 Ayes,

by the following vote: 28 Ayes,

0 Nays, 2 Not Voting

0 Nays, 2 Not Voting


Speaker of the House


President of the Senate

Norman L. Moore
Chief Clerk of the House

Chauncey Bellinger
Secretary of the Senate

**EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF GOVERNOR**

This Bill was received by the Governor this

day of , 20

at _____ o'clock _____ M.

Secretary to the Governor

Approved this _____ day of _____

_____ , 20____ ,

at _____ o'clock _____ M.

Governor of Arizona

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF SECRETARY OF STATE

This Bill was received by the Secretary of State

this _____ day of _____, 20____,

at / o'clock M.


Secretary of State

HOUSE CONCURS IN SENATE
AMENDMENTS AND FINAL PASSAGE

April 12, 2005,

by the following vote: 58 Ayes,

0 Nays, 2 Not Voting


Speaker of the House
Pro Tempore
Norman L. Moore
Chief Clerk of the House

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF GOVERNOR

This Bill was received by the Governor this

13th day of April, 2005

at 12:00 o'clock P. M.

Wendell Upbarra
Secretary to the Governor

Approved this 18 day of

April, 2005,

at 1st o'clock A. M.

Jon Ragsdale
Governor of Arizona

H.B. 2189

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF SECRETARY OF STATE

This Bill was received by the Secretary of State

this 18 day of April, 2005,

at 4:42 o'clock P. M.

Janice K. Brewer
Secretary of State